

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING APPLICATION OF)	CASE NO.
MIDDLETOWN WASTE DISPOSAL, INC.)	2009-00227

COMMISSION STAFF'S SECOND INFORMATION
REQUEST TO MIDDLETOWN WASTE DISPOSAL, INC.

Middletown Waste Disposal, Inc. ("Middletown"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The Information requested herein is due within 15 days from the date of this information request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Middletown shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Middletown

fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Louisville Water Company invoices filed in Middletown's response to the Commission Staff's First Information Request, item 8.

a. Provide the customer name and account number.

b. The invoices do not have the bi-monthly water usage. Provide a schedule listing the bi-monthly water purchases in gallons for the calendar years 2006, 2007, and 2008.

c. Include in the response to 1(b) the bi-monthly amount that was billed to Middletown.

2. Refer to the explanation of the \$60 per-month BellSouth allocation provided in Middletown's response to the Commission Staff's First Information Request, item 8.

a. Provide a detailed explanation as to how the \$60 per-month allocation was developed.

b. Include in the response to 2(a) an average bill and describe in detail how the costs from that bill are allocated to Middletown.

3. Middletown reports paying \$3,034 of interest on a \$102,630 "Stockholder Loan."¹

a. Identify the loan holder, the date the loan was originally obtained, the amount that was originally borrowed, and identify the purpose of the loan.

b. Provide a current amortization schedule that includes the entire life of the loan and that details the payment amounts, principal retirements, interest payments, interest rates, and outstanding balances.

c. Identify the Commission proceeding wherein Middletown was authorized to obtain the Stockholder Loan.

d. Provide a description of the use of the borrowed funds.

4. Refer to the James Headden Septic Tank Service, Inc. invoices filed in Middletown's response to the Commission Staff's First Information Request, item 13.

a. On invoice 10015, Middletown is charged \$4,930 for the pumping and hauling of 29,000 gallons of sludge and is also charged a \$60 fuel surcharge for hauling six loads of sludge. Provide a detailed explanation as to why 29,000 gallons of sludge was removed from Middletown's treatment facilities.

b. Provide a schedule for the calendar years 2006, 2007, and 2008 that lists the number of loads of sludge removed per year, the gallons of sludge removed, the cost per load, and the total amount billed.

c. Provide the invoices for the calendar years 2006 and 2007 to support the amounts listed in the response to 4(b).

¹ Annual Report of Middletown to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2008 at 6.

5. Refer to the Commonwealth of Kentucky Certificate of Registration for the 2000 Jeep registered to Donald Lorenz that was filed in Middletown's response to the Commission Staff's First Information Request, item 13. Explain why Middletown should pay the taxes and insurance for a vehicle that is not registered in its name.

6. Refer to the Chase credit card statements filed in Middletown's response to the Commission Staff's First Information Request, item 13. The charges paid by Middletown to Chase are for gasoline purchases and are recorded in the Account No. 618 - Gas/Oil Expense.

a. Provide documentation to support the allocation of the gasoline purchases to Middletown.

b. Provide a copy of the vehicle log showing that the Jeep was used solely for Middletown.

7. Refer to the invoices filed in Middletown's response to the Commission Staff's First Information Request, item 13. On the invoices are references to companies other than Middletown and those companies are listed in Table 1 below. Describe the relationship between each company and Middletown; whether they share the office with Middletown; and, if they do, list the office rent charged to that company. Include a detailed explanation as to how the monthly rent allocation was developed.

Table 1		
<u>Company</u>	<u>Vendor Listed on Invoice</u>	<u>Invoice Date</u>
a. Lorenz Properties	General Service Company	06/30/08
b. Lichtefield Properties	Smith Greenberg & Leighty	07/09/08
c. DAL	CHASE	12/07/08
d. Farm	CHASE	12/07/08

8. Refer to Middletown's response to the Commission Staff's First Information Request, item 2(a). Middletown references an emergency repair to the treatment plant header that occurred in August 2009 of \$880.

a. Is Middletown aware that it paid Sanders Sales and Service approximately \$4,035 in 2008 to repair leaks in the header?

b. Explain whether the cost to repair the header should be removed from test-period operating expenses and amortized over an appropriate period.

9. Refer to Middletown's response to the Commission Staff's First Information Request, item 11(a). Provide documentation to support Middletown's statement that the proposed office rent of \$200 per month is lower than rent which would be paid to an outside party.

10. Refer to the November 23, 2004 letter submitted in Middletown's response to the Commission Staff's First Information Request, item 1(b). Provide any correspondence Middletown received concerning the letter that was mailed to Larry Updike of the Commission's Engineering Division or that relates to the \$15 per-month residential rate.



Jeff Derouen
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Public Service Commission
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DATED: JAN - 7 2010

cc: Parties of Record

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